GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1823
ANSWERED ON:26.07.2002
UNDER ASSESSMENT AND OVER CHARGE OF ASSESSEES BY INCOME TAX
PRABHUNATH SINGH;SUKDEO PASWAN

Will the Minister of FINANCE be pleased to state:

(a) Whether there have been cases of under assessment and overcharge on the part of the income tax assessing officers;

(b) if so, the number of cases have to light of under assessment and how many cases in which the assessees have been over charged and the amount involved therein; and

(c) the action taken or proposed to be taken by the Government in this behalf apart from taking measures to check under assessment and overcharge of assessees?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b) Sir, The C & AG in their Report No.12 of 2002(for the year ended 31.3.2001) laid down in Parliament on 15th March, 2002, have reported 15919 audit observations on under assessment and 82 cases of over assessment where, according to them, tax effect of Rs. 4777.70 crore in under assessment and tax effect of Rs. 49.24 crores in over assessment are involved.

(c) This Report of C & AG is being examined in the CBDT with a view to give para wise reply to C & AG and to determine the correctness or otherwise of the aforesaid audit observations. CBDT has already issued instructions to the assessing officers/field formations to take due care in assessments and to avoid mistakes. Remedial actions are invariably taken in all cases in accordance with CBDT instruction No. 1928 dated78.95. DIT (Audit) has also issued instructions and checklist for guidance of the assessing officers.